

Request for City Council Committee Action from the Department of Human Resources

Date: September 11, 2012

To: Ways & Means/Budget Committee

Referral to: City Council

Subject: Life and Long-term Disability Insurance

Recommendation: Authorize the proper City officials to enter into a contract with CIGNA as the selected provider of life and long-term disability insurance benefits for employees of City departments and participating boards and agencies. The contract is to be effective January 1, 2013 for a period of three years with an option to renew for an additional two years.

Previous Directives: On June 29, 2012, the City Council authorized the proper City officials to (a) issue a request for proposal for life and long-term disability insurance effective January 1, 2013 and (b) authorize the proper City officials to enter into contract negotiations with the selected vendor.

Department Information

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Prepared by:	Joyce Traver	
Approved by:		
	Timothy Giles	Paul W. Aasen
	Interim Director, Human Resources	City Coordinator

Financial Impact

Action is within the Business Plan

Supporting Information

The Request for Proposal was issued July 9, 2012. Proposals were received from eight qualified vendors. The proposals were evaluated by members of the Human Resources Department and by the David Martin Agency (the City's benefits consultant/broker). Results of the evaluation process were reviewed by the Benefits Sub-committee of the Citywide Labor Management Committee. The decision to select CIGNA to continue to insure the City's life and long-term disability plans was based on the following key factors:

- Competitive rates for the City and for City employees. CIGNA premium rates for basic life and long-term disability were the lowest of all proposals and are lower than the rates used for the 2013 budget. There will be no rate increase for employee supplemental life insurance coverage.
- Financial position, experience and general reputation of the company.
- Demonstrated ability to provide effective and efficient administrative support and member services.